

TODILM

EXPLORATION AND DEVELOPMENT CORPORATION

G. WARNOCK
PRESIDENT

H.B. (CHICK) WARNOCK
SENIOR VICE PRESIDENT

V. MONDRAGON
VICE PRESIDENT/CONTROLLER

January 19, 1982

Mr. Thomas Lynch
Real Property Management
Bureau of Indian Affairs
Navajo Area Office
Windowrock, Arizona 86515

Re: Lease #N00-C-14-20-8396

Dear Mr. Lynch:

Enclosed is our royalty calculation on Section 18, Lease #N00-C-14-20-8396, for the month of November, 1981. Please note that the royalty due was \$493.65. Since we are still carrying a prepaid royalty balance of \$3,267.60, there is no check enclosed. This should leave a prepaid royalty balance of \$2,773.95.

If you have any questions, please feel free to call.

Sincerely,

Virginia Mondragon
Virginia Mondragon

VM:dt

Enclosures

cc: Mining Accountant, USGS
P.O. Box 69
Albuquerque, New Mexico 87103

RECEIVED

JAN 1982

AREA BRANCH OF
REAL PROPERTY MGMT

ALBUQUERQUE OFFICE:
HAYSTACK MINE UNIT:
PIEDRA TRISTE MINE UNIT:

3810 ACADEMY PARKWAY SOUTH N.E., ALBUQUERQUE, NEW MEXICO 87109. (505) 345-8391
P.O. BOX 726 GRANTS, NEW MEXICO 87020, (505) 876-2264
P.O. BOX 726 GRANTS, NEW MEXICO 87020, (505) 285-6604, (505) 285-6605

BIA ROYALTY CALCULATION

Section 18 — Lease #N00-C-14-20-8396
November, 1981

<u>Lot Number</u>	<u>Dry Tons</u>	<u>% U₃O₈</u>	<u>Pounds Contained</u>
9565	164.0035	0.088	288.646
Sales price per pound		\$21.68	
Pounds contained per dry ton		<u>1.76</u>	
Value per dry ton		\$38.16	

$6.00\% + 0.05\% \left(\frac{38.16}{1} \right) = \text{Percentage royalty rate}$

$6.00\% + 0.019 = 6.00\% + 1.9\% = 7.9\%$

$7.9\% \times 38.16 = 3.01$

$\$3.01 \times 164.0035 \text{ dry tons} = \$ 493.65 \text{ Royalty Due}$
 $\quad \quad \quad \underline{(3,267.60)} \text{ Prepaid Royalty}$
 $\quad \quad \quad \underline{\underline{\$(2,773.95)}} \text{ Prepaid Royalty Balance}$